



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

December 13, 2006

David Thorne, Treasurer
Kerry-Edwards 2004 Inc.
PO Box 34555
Washington, DC 20043

RE: MUR 5525

Dear Mr. Thorne:

This is in reference to the complaint you filed with the Federal Election Commission on August 30, 2004, concerning the Swift Boat Veterans for Truth. The Commission found that there was reason to believe Swift Boat Veterans for Truth violated 2 U.S.C. §§ 433, 434, 441a(f), and 441b(a) by failing to register as a political committee with the Commission; by failing to report its contributions and expenditures; by knowingly accepting contributions in excess of \$5,000; and by knowingly accepting corporate and/or union contributions. Subsequently, the Commission conducted an investigation in this matter. On December 8, 2006, a conciliation agreement signed by the respondent was accepted by the Commission. Accordingly, the Commission closed the file in this matter on December 8, 2006.

In addition, the Commission found reason to believe that Swift Boat Veterans for Truth violated 2 U.S.C. §§ 441a and 434 by making and failing to report excessive contributions, in the form of coordinated expenditures, to Bush-Cheney '04, Inc., and that Bush-Cheney '04, Inc. and David Herndon, in his official capacity as treasurer, violated 2 U.S.C. §§ 441a(f) and 434 by accepting and failing to report excessive and prohibited in-kind contributions. Subsequently, the Commission conducted an investigation in this matter. On July 19, 2006, the Commission determined to take no further action as to these findings.

Finally, the Commission determined to take no action as to the Alachua County Republican Party, the Alachua Bush-Cheney Committee, the Republican National Committee and Bob Kjellander, in his official capacity as treasurer, George W. Bush, Dick Cheney, Karl Rove, Kenneth Cordier, Harlan Crow, William Franke, Roy Hoffman, Alvin Horne, Bill Lannom, John O'Neil, Bob Perry, Charles Plumly, Weymouth Symmes, and Merrie Spaeth.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). A copy of the conciliation agreement is enclosed for your information. In addition, documents explaining the other dispositions are enclosed.

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If you have any questions, please contact us at (202) 694-1650.

Sincerely,



Peter G. Blumberg
Attorney



Julie K. McConnell
Attorney

Enclosures
Conciliation Agreement
Factual and Legal Analysis
General Counsel's Report #3

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